FACILITIES MANAGEMENT

CUSTOMER RELATIONS

AUDIT REPORT #23-2001

Audit & Advisory Services

April 2023

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# Background

In accordance with the UCLA Administration fiscal year 2022-23 audit plan, Audit & Advisory Services (A&AS) conducted a review of business practices for processing work orders and assessed the client recharge process. In addition, A&AS reviewed protocols for vetting and responding to emergency calls received and operating procedures for the Trouble Call Center and Customer Service unit within the Facilities Management (FM) department.

FM posts work orders into its MAXIMO system where they are assigned to a specific skilled crafts shop for completion. These work orders carry a unique seven-digit numeric bar code that allows labor and materials costs to be accumulated and then associated with a particular job number. Each job has a specific alphanumeric number that links a work order and its associated expenses with the University’s General Ledger. Any job can have one or multiple work orders associated with it, depending on the complexity of the project.

State-funded work order requests are handled by Trouble Call personnel, while customer-funded Facilities Service Requests (FSRs) are handled by Customer Service staff. Additional services performed by Trouble Call staff include creating work orders in response to emergencies and alarms, distributing utility outage notifications, and issuing keys to employees who may need access to various campus locations. Additional maintenance services performed by Customer Service staff include repair of department-purchased equipment and facility improvements and are available through recharge or service agreements by clients completing an FSR via the FM website. Services provided to non-state-funded clients are assigned by Customer Service representatives to the relevant skilled craft shop(s) and recharged to the requesting department.

The Trouble Call unit is headed by the Customer Relations Manager and is staffed with six career FTEs and two limited appointee dispatchers. Customer Service is staffed with two career FTE positions with one additional FTE that is currently vacant.

Purpose and Scope

The primary purpose of the review was to ensure that Customer Relations’ internal controls related to the management of trouble calls and customer service functions are conducive to accomplishing its business objectives. Where applicable, compliance with campus and University policies and procedures was also evaluated.

The scope of the audit focused on the following activities:

* Emergency Response Plans/Procedures
* Alarm Monitoring
* External Insurance Reporting
* Recharge Process

The review was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing* and included interviews, tests of records, and other auditing procedures considered necessary to achieve the audit purpose.

# Summary Opinion

Based on the results of the work performed within the scope of the audit, Customer Relations’ internal controls are generally conducive to accomplishing its business objectives related to trouble call activities and client recharges. However, controls and business practices could be further strengthened by implementing the following:

*External Insurance Reporting*

* In keeping with ongoing discussions, management should maximize the functionalities that exist in the MAXIMO system to replace the current manual process of using a spreadsheet to collect information for the third-party administrator with an automated process that would associate the claim number assigned by the third-party administrator with the relevant labor, material and contract cost breakdown along with any associated invoices.

*Recharge Process*

* Management should update FSR instructions to require requestors of services to specify a supervisor's name in the "authorized by" field to document that appropriate approval was obtained prior to work commencing. In addition, those supervisors should be copied on the FSR confirmation email sent to the requestor to ensure that supervisors are fully aware of the work being requested and funded by their department.

The audit results and corresponding recommendations are detailed in the following sections of the report.

Audit Results and Recommendations

Emergency Response Plans/Procedures

A&AS conducted meetings with Customer Relations personnel to obtain information and an understanding about emergency response procedures and training of Trouble Call employees. A&AS also reviewed the trouble call section of the Disaster Initial Response Team (DIRT) manual to determine its adequacy in supporting operations. Finally, A&AS reviewed the Campus Buildings Emergency Contact list, Emergency Lockbox List, and Key Logs.

Emergency Response Procedures

The trouble call section of the DIRT manual includes emergency contact information, alarm system operation, alarm prioritization, and other emergency-related topics.

The UCLA Emergency Management Department tests emergency plan/procedures. A phone/text system is used to notify key contacts and to request acknowledgement of an emergency message. Consequently, although testing is performed, Trouble Call Center personnel are not responsible for conducting the testing.

Customer Relations management and staff review the trouble call section of the DIRT manual annually. The internal review is documented with a log in sheet that includes the date, time, employee name, and employee initials, verifying completion of the training.

There were no significant control weaknesses noted in this area.

Training

Trouble Call employees complete the following types of training:

* On-the-job training upon their employment start date
* Refresher training at least annually
* DIRT training when available

The last refresher training provided to staff occurred on April 18, 2018. The refresher training included CPR, first aid, fire extinguisher use, and building evacuation. Participants also reviewed phone call recordings and responses, and completed mock exercises. The content of this training has not been updated in the interim.

The Trouble Call Manager completed all DIRT-related training courses (i.e., CPR, First Aid, Building Evacuation, Search and Rescue, etc.). Trouble Call dispatchers may take DIRT training when it is offered, but currently do not physically respond to emergencies.

A&AS met with the Office of Emergency Management (OEM) Director regarding the outdated refresher training last offered in April 2018. All training had been suspended due to the COVID pandemic. Emergency Management staff are in the process of revamping the training program and will coordinate with trainers certified in specific areas. According to the OEM Director, the expectation for completing the revamped training program is early 2023. Departments will then be notified whom to contact to schedule training, including DIRT refresher training.

There were no significant control weaknesses noted in this area.

Alarm Monitoring

Discussions were held with Trouble Call management and staff to obtain information about alarm monitoring and dispatch procedures. Alarms monitored by the Trouble Call unit include Keltron (supervisory, fire, smoke), Direct Digital Control (DDC) (refrigeration, water flow/leaks), and high voltage. Alarm listings were requested for the period of July 2021 to June 2022. A&AS selected a judgmental sample for audit testing of each type of alarm and the alarm and dispatched dates/times were reviewed to assess the timeliness of response.

Keltron Alarms

A&AS selected a sample of 30 activated alarms directly from the Keltron Alarm History Report and reviewed work order information for each sample item.

Based on the test work performed, responses appeared to be dispatched timely by trouble call dispatchers for those alarms requiring dispatch. For the 10 Keltron alarms tested that required dispatch, A&AS verified that work orders were created timely by the trouble call dispatcher.

DDC Alarms

A&AS selected a sample of five DDC alarms for audit testing from the DDC Alarms log that required dispatch. Alarm and work order information were reviewed for each sample item.

Based on the test work performed, responses appeared to be dispatched timely. Work orders were created accurately and timely.

High Voltage Alarms

A&AS selected a sample of four High Voltage alarms for audit testing from the High Voltage MAXIMO log. Based on the test work performed, responses appeared to be dispatched timely.

There were no significant control weaknesses noted in this area.

External Insurance Reporting

A&AS met with the FM Finance and Information Systems Financial Analyst to review the external insurance company reporting requirements and associated process. The current claims tracking process is tracked manually on a spreadsheet. Management and IT staff in September 2022 have discussed process improvements. Discussions regarding programming adjustments in the MAXIMO system to adopt functionalities not currently used are ongoing.

Recommendation: In keeping with ongoing discussions, management should maximize the functionalities that exist in the MAXIMO system to replace the current manual process of using a spreadsheet to collect information for the third-party administrator with an automated process that would associate the claim number assigned by the third-party administrator with the relevant labor, material and contract cost breakdown, along with any associated invoices.

Response: FM will review and share the recommendations with IRM and the Insurance company by 6/23. FM is limited/constrained by IRM’s reporting requirements and the insurance company’s claim submittal reports/process.

Recharge Process

A&AS held meetings with Customer Relations management and staff to discuss the recharge process for work orders. Clients first submit an FSR through the department’s online portal. Customer Relations staff then reviews the request, assigns it to the appropriate skilled crafts shop within the Maintenance & Alterations division, and awaits client approval. Once the FSR is approved, Customer Relations staff sends the work order to the assigned shop to enable the work to be performed. Once the FSR/work order has been completed, Customer Relations personnel will indicate that the work order is complete within the MAXIMO system.

Work Order Authorization/Approval

A&AS held meetings with Customer Service management and staff to obtain information about client-funded (recharge) work orders and how approvals are documented. For FSRs (on existing blankets or new blanket requests), there is an “authorized by” field where a requestor must include the name of the person authorizing the work, their job title, and the date authorized at the time of the request. For estimated jobs (written request for an estimate via an FSR), the estimate is routed to the applicable FM department assistant director who then assigns the job to a project manager. The customer must approve the estimate before work can begin on the project.

A&AS selected a judgmental sample of 15 recharge work orders (5 blanket requests and 10 estimated jobs) from fiscal year 2021-22 for audit testing. A&AS then reviewed FSR detail and Job Management System (JMS) job history reports to verify whether appropriate client approvals were obtained prior to work commencing on the job.

Although all work orders tested included an “authorized by” name and date prior to the initial work beginning, there were two instances where the requestor (an Administrative Assistant) was also the individual listed who authorized the work order. Without an appropriate authorization for work to be performed from personnel separate from the employee listed as requestor, FSRs can be submitted without the knowledge of a supervisor or manager thereby potentially causing unplanned costs to be incurred by the requesting department.

Recommendation: Management should update FSR instructions to require requestors of services to specify a supervisor's name in the "authorized by" field to document an appropriate level of approval was obtained prior to work commencing. In addition, those supervisors should be copied on the FSR confirmation email sent to the requestor to ensure that the supervisors are fully aware of the work being requested and funded by the department.

Response: A department code (FAU) must be submitted to FM Customer Service for validation/approval and added to the FSR website before submitting an FSR. Only approved people have the ability to create an FSR request. All FSR requests are reviewed and approved by the Customer Service agents, who have in-depth knowledge of departments and approvers. When the FSR is converted to a Work Order, the client department head receives an email notification of the Work Order number and description of the requested work.

The online FSR application developer retired. We do not have a resource to change the FSR website request process. Part of the FM technology roadmap is to upgrade Maximo and combine the FSR request website with the FM Service Request. The Maximo upgrade is scheduled for the 4th quarter of 2024 after the campus implements Jaggaer (Bruin Buy) and Ascend (Oracle Financials).

Timeliness and Accuracy

A&AS met with Customer Service management and staff to discuss labor and materials charges, cost centers charged, material transfer sheets, and the closing of work orders. A&AS reviewed work order job history (labor and materials charges) reports, material transfer sheets entries, FSR detail, and emails to verify whether work orders were reviewed and that they were completed timely and accurately.

1. In-Progress Work Orders

A&AS staff utilized data analytics to identify work orders that were in-progress for greater than 180 days, as of June 30, 2022. Based on the results of the sorted data, 1,205 work orders older than 180 days were identified. From the 1,205 work orders, 10 were judgmentally selected for audit testing. Based on discussions with management, it was disclosed that two of the 10 items tested had been completed and subsequently closed. The remaining eight were confirmed to be accurately coded as in-progress.

There were no significant control weaknesses noted in this area.

1. Labor and Materials Charges

When a skilled craft shop employee spends time completing work for an FSR and uses materials for the job, the work order is charged for both the employee’s time (labor) and the necessary materials to complete the job.

Using the same sample of 15 FSRs from the Work Order approvals section discussed earlier, A&AS reviewed FSR work descriptions and JMS job history reports to verify whether labor and materials appeared reasonable and related to the work description. A&AS also reviewed the list of materials charged to the work orders for reasonableness based on the nature of work performed. Finally, A&AS reviewed cost centers charged for the work performed to ensure proper coding and relevance to the job.

Based on the audit test work performed, labor, materials, and the cost centers charged appeared reasonable and related to the work descriptions indicated on the work orders reviewed.

There were no significant control weaknesses found in this area.

Adjustments

Customer Relations staff are responsible for entering charges for materials to work orders within JMS from hard copy material transfer sheets submitted by the skilled craft shops. Customer Service employees manually input materials charges into JMS and then stamp each sheet with “ENTERED” when completed. Adjustments occur when items such as labor and materials are incorrectly charged to a specific work order. A departmental requestor sends an email to the Customer Relations unit to correct an identified error in charges. Customer Relations personnel then process the removal of the labor and/or materials charges from the erroneous work order and then apply the charges to the appropriate work order to finalize the adjustment.

A&AS selected a judgmental sample of 20 adjustment/material transfer sheets for audit review that were emailed to the Customer Relations unit for fiscal year 2021-22, and then determined whether adjustments/materials expenses were entered accurately into JMS. Based on the audit test work performed, materials charges for the 20 sampled items were correctly entered into JMS.

There were no significant control weaknesses noted in this area.

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